

May 4, 2000

Timothy Westmoreland
Director
Division of Integrated Health Services
Center for Medicaid and State Operations
Health Care Financing Administration
Department of Health and Human Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850

RE: 11-W-00051/1

Dear Mr. Westmoreland:

The following represents responses to the financial questions raised to date regarding Vermont's request for the extension of its 1115 demonstration project. In addition, a series of tables are enclosed which include revisions to the previously submitted projections as well as more detailed information to support the projections. We trust that these answers address the issues raised to date.

As you are aware, the VHAP demonstration has permitted the State of Vermont to be at the forefront in terms of providing access to medical coverage. The State would like to work with HCFA in pursuit of additional options for reducing the number of uninsured Vermonters.

As part of our renewal application, Vermont would like to request that HCFA grant permission to Vermont to retain all program fees and premiums. We understand that HCFA has previously approved this in other states waiver programs. We believe that this will strengthen the state financing position for our waiver programs, and mitigate needs to increase program fees and premiums for beneficiaries in the program over the term of the waiver extension. This proposal has been discussed with key Vermont legislative committees, and the General Assembly is fully supportive of this request. Vermont would like to combine state appropriated funds with collected program fees in order to meet the state's share of medical expenses. We believe that this will enable Vermont to further its objective of making health care coverage accessible to as many Vermonters as possible, and will enable our program to remain affordable to program participants.

As always, we appreciate your commitment and that of your staff in working with us on our initiatives. If there are any questions, feel free to contact Ann Rugg at 802-241-2766

State of Vermont
1115 Waiver Extension Financial Questions
May 4, 2000
Page 2

(annr@wpgate1.ahs.state.vt.us).

Sincerely,

Eileen Elliot
Commissioner

cc: Paul Wallace-Brodeur
Ann Rugg